UPPER ARKANSAS RIVER CONSERVATION RESERVE ENHANCEMENT PROGRAM PERFORMANCE REPORT BY THE STATE OF KANSAS



Photo by: Jeffrey D. Ladner, NRCS District Conservationist - Gray County; CREP fields located outside Ingalls, KS



October 1, 2009 - September 30, 2010

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Executive Summary

The Conservation Reserve Enhancement Program (CREP) is a dedicated Conservation Reserve Program focused on water conservation along the Upper Arkansas River corridor from Hamilton County to western Rice County. The Upper Arkansas River CREP has been in place for three years; this annual report provides a synopsis of the activities.

CREP is a specialized version of Conservation Reserve Program (CRP), in which the State of Kansas and USDA Farm Service Agency (FSA) have partnered to address one or more resource concerns. Our non-federal partners include: State Conservation Commission, Kansas Department of Agriculture-Division of Water Resources, Kansas Water Office, Natural Resources Conservation Service, Groundwater Management Districts #3 and #5, Kansas Department of Wildlife and Parks, Kansas Department of Health and Environment, Kansas Geological Survey and Pheasants Forever. The Upper Arkansas River CREP is a voluntary, incentive based program for producers to enroll irrigated acres in the eligible area for 14-15 years, permanently retire the water rights on the enrolled acres, and put the acres into a conservation cover (typically a native grass). In return, the producer receives an upfront, per acre payment from the State and an annual rental payment from USDA – Farm Service Agency, plus cost share on the specific conservation efforts.

Water conservation is the main resource management objective. CREP also provides other resource benefits including soil conservation, energy savings and wildlife habitat protection. The CREP area is along the Upper Arkansas River corridor. The main water sources for producers are the alluvial and the High Plains aquifers; the river also supplies water for irrigation. High capacity well pumping, an increase in irrigated crop production, and drought conditions have all contributed to declining aquifer levels. Severe declines in the aquifer are resulting in loss of baseflow to the river; decline in well yields, and in some locations, degradation of ground water quality. As the dominant source of water for all uses in the basin, the aquifer declines are a serious concern. The majority of the acres enrolled into CREP have been acres with highly erodible soils that are unsuitable for dryland farming due to their low moisture holding capacity.

As of September 30, 2010, a total of 65 CREP contracts on 10,766 acres have been approved by the State of Kansas. These contracts will result in the permanent retirement of 22,162 ac-ft of annual water appropriation from 93 wells. These 65 contracts represent a total of \$649,940 in state sign-up payments to producers over the past three years. These payments are matched by annual producer payments from FSA of about \$1,300,000, based on rates of \$110 to \$140 per irrigated acre. approximately \$19.4 Million over the 14–15 year life of the CRP contracts.

One merit of the CREP program to date has been establishing cover on highly erodible lands in the project area. The extremely sandy and fragile, windblown soils of the sandhills would be very difficult to re-vegetate when irrigation is no longer possible due to groundwater declines and crop production runs out. The CREP program has given these area producers a viable option for starting grass stands while limited irrigation water is still available and with the financial opportunity and incentive to do it.

Efforts are ongoing to achieve full enrollment at the current project size of 20,000 acres, as well as to expand the project limit to 28,950 acres. One county is presently at the individual county enrollment cap of 5,000 acres with more landowners wishing to participate. Kansas has received increases in the irrigated rental rate from FSA for additional incentives and to especially increase participation in the eastern part of the 10 county project area.

Overview

The 2007 and 2008 Kansas Legislature approved funding for a Kansas Upper Arkansas River Conservation Reserve Enhancement Program (UAR CREP). The CREP is a United States Department of Agriculture (USDA) program that creates individual rules and special conditions and rates for a geographic region or watershed. The State Conservation Commission, the Kansas Water Office and the Kansas Department of Agriculture worked with USDA's Farm Service Agency and Natural Resources Conservation Service to develop and launch the Upper Arkansas River Conservation Reserve Enhancement Program (CREP).

A Memorandum of Agreement (MOA) signed by Governor Sebelius on November 27, 2007 and Acting Secretary, U.S. Department of Agriculture, Charles F. Conner on December 4, 2007, established the Kansas Upper Arkansas River CREP.

The Kansas CREP is a voluntary program that provides incentives and cost sharing to participants that enroll their land into eligible conservation practices such as native vegetation establishment or wildlife conservation for a period of 14 to 15 years. The CREP area lies within 10 counties along the Arkansas River corridor, covering 1,571,440 acres. In the CREP area, 718,683 acres were authorized prior to program start-up for ground water irrigation; approximately another 10,680 acres are authorized for irrigation from surface water. The state seeks to enroll up to 20,000 acres into the program under the current MOA; 17,000 acres of irrigated land, and 3,000 dryland corners from irrigated circles. Reducing irrigation demands on the stream-aquifer system will help slow the aquifer declines, mitigate the spread of saline waters into the aquifer, and help restore stream and riparian health.

History

The CREP project area lies within the upper Arkansas River basin. Overall, the target area includes portions of ten counties (Hamilton, Kearny, Finney, Gray, Ford, Edwards, Pawnee, Stafford, Barton and Rice Counties) and two groundwater management districts (Southwest Kansas GMD3 and Big Bend GMD5) along the river corridor. The 1,571,440 acre project area has hydrologic interaction with the Arkansas River due to surface flow and ground water pumping. The main water sources for producers within the project area are local stream / river surface waters, and the alluvial and High Plains aquifers. The Arkansas River flows from headwaters in the Rocky Mountains, and has been diverted for over 100 years for irrigation in Colorado and Kansas. The river and ground water system have had several decades of well-documented flow depletions entering the State of Kansas, and ground water declines in the aquifer are resulting in loss of baseflow to the river, decline in well yields, and in some locations, degradation of ground water quality.

The Arkansas River is a resource of state and national concern for both water quantity and water quality. The flow into Kansas is extensively controlled though releases from the John Martin Reservoir in eastern Colorado, and is managed through the Arkansas River Compact Administration. Reduced flows as the river entered Kansas, in violation of the compact, have historically resulted in stream flow depletion, ground water declines, and economic damage. The river is also one of the most saline in the nation where it enters Kansas, a result of the extensive concentration of salts occurring from irrigation use and reuse. The declining flows and deteriorated water quality threaten the viability of this important surface water source in western Kansas. Correlated with the reduced flow and increasing salinity of the river is the degradation of riparian health and wildlife habitat. Native plant communities have declined, and there has been an extensive and aggressive infestation of tamarisk and other non-native phreatophytes.

Kansas-Colorado Arkansas River Compact

The Kansas-Colorado Arkansas River Compact (Compact) was negotiated in 1948 between Kansas and Colorado with participation by the federal government. Its stated purposes are to settle existing disputes and remove causes of future controversy between Colorado and Kansas concerning the waters of the Arkansas River, and to equitably divide and apportion between Colorado and Kansas the waters of the Arkansas River as well as the benefits arising from John Martin Reservoir.

Kansas filed Kansas v. Colorado, No. 105, Original, in 1985 to enforce the terms of the Compact. In 1994, Special Master Littleworth recommended that the United States Supreme Court determine that Colorado had violated Article IV-D of the Compact by means of post-compact well pumping in Colorado. On May 15, 1995, the Supreme Court agreed. Colorado paid Kansas more than \$35.1 million in damages for Colorado's Compact violations This money has been deposited in three funds created by statute that specify generally how and where the money will be spent. The acceptable uses of two of these funds are consistent with UAR CREP objectives, while the third is for litigation. The Water Conservation Projects Fund, now known as the Western Water Conservation Projects Fund, must be applied to projects within a portion of the UAR CREP area.

The Special Master Fifth and Final Report to the Supreme Court in January 2008, and the Supreme Court Judgment and Decree entered on March 9, 2009 provided that the Supreme Court would retain jurisdiction for a limited period while the States evaluated the sufficiency of the 1996 Colorado Use Rules.

As a result of that evaluation, modification of the Judgment and Decree was jointly developed by Kansas and Colorado based on decisions by the Special Master and the United States Supreme Court. The Decree contains several appendices, such as the Hydrologic-Institutional Model and accounting procedures, which will be used to determine if Colorado is in compliance. The States submitted a modified appendix to the Supreme Court on August 4, 2009, bringing an end to the retained jurisdiction.

CREP Steering Committee

The Upper Arkansas River CREP Steering Committee consists of the State Conservation Commission, the Kansas Water Office, the Kansas Department of Agriculture - Division of Water Resources, the Kansas Department of Health and Environment, the Kansas Department of Wildlife and Parks, and the Kansas Geologic Survey. These state agencies are joined by the Farm Service Agency, Natural Resources Conservation Service, and Groundwater Management Districts #3 and #5 and Pheasants Forever (Attachment F).

The Steering Committee met on September 23, 2010 (Attachment F). Some members attended in the SCC conference room with others linked in by teleconference. The purpose of the Steering Committee was reviewed and the committee was provided an update of the current enrollment. The input of the committee on the success of the CREP program in meeting objectives and ways to improve it will become more and more valuable, as more acres enroll and the impact of the water right retirements and land in a conservation practice begin to become measurable.

The Kansas Division of Water Resources, Kansas Geological Survey and Southwest Kansas Groundwater Management District No. 3 are working cooperatively to create an enhanced monitoring network for the aquifer close to the retired CREP acres and water rights. Improvements include providing additional annual monitoring wells and increasing the measurement frequency, equipping some key well sites with pressure transducers and temperature loggers, and designating some wells as index calibration wells.

It was again noted that some monitoring activities of the UAR CREP are still premature for the agencies to significantly undertake at this time, or to determine any significant changes in results or impacts due to the CREP project. Even though enrollment is steadily increasing, almost the entirety of the enrollment has been located in areas of the "Tier 1 / Unsuitable soils" which will require continued limited irrigation for another couple of years to establish the vegetative cover. Therefore, there has not yet been substantial water use curtailment to monitor.

The committee was informed of the efforts Kansas is undertaking to increase enrollment and interest in CREP, including possible amendments to the USDA / State of Kansas MOA. The committee was in agreement that the project size should be increased to the extent that currently appropriated money is still available, and that current irrigated rental rates are currently too low to attract adequate participation, especially in the areas of better soils and stable water tables such as the eastern parts of the project area (i.e. Middle Arkansas region).

Depending on the outcomes of future negotiations with FSA, SCC will re-market and promote the CREP program to eligible irrigators in the CREP area in an attempt to increase enrollment after the winter season. The Steering Committee may convene again in spring of 2011 to re-assess the program results prior to summer irrigation.

Although participation in the eastern areas has been disappointing so far, the great merit of the CREP program to date has been realizing a very substantial benefit to the western regions of the project. The extremely sandy and fragile, windblown soils of the sandhills will be very difficult to re-vegetate after the groundwater is depleted and crop production runs out. The CREP program has given these area producers a viable option for starting grass stands while limited irrigation water is still available and with the financial opportunity and incentive to do it. This somewhat unexpected result should be highlighted and warrants consideration of similar ways to possibly better utilize the resources of future CREP programming in the Upper Arkansas River Valley of Kansas.

CREP Project Implementation Summary

The CREP program is designed to protect water quality and extend the usable life of the of the High Plains aquifer by establishing CRP practices on irrigated land and retiring the associated water rights on up to 20,000 acres of land in Barton, Edwards, Finney, Ford, Gray, Kearny, Pawnee, Rice and Stafford counties. Hamilton County is eligible for the program, but it is currently at the maximum level of acres that can be enrolled in a Conservation Reserve Program. The Kansas Legislature approved the program size up to 40,000 acres; however, the program cap was reduced to the 20,000 acre level to stay within a state legislative limitation which allows only one new acre of land to be enrolled in CREP for every two acres of land on which current CRP contracts expire every year.

The Kansas Farm Service Agency began accepting applications to enroll land in the CREP program on December 20, 2007. Application is made in the county where the land is located, and all applications are considered on a first-come, first-served basis. Farmers who enroll irrigated cropland in the program and permanently retire their water rights will receive rental payments for 14 to 15 years at rates between \$100 and \$125 per acre per year. Rates vary depending on the HUC and irrigation system currently in place. Cost-share funds are available for seeding, and well plugging on enrolled land. Enrolled land can be leased for hunting.

The goals of the UAR CREP are to enroll up to 20,000 acres of eligible cropland under the program within the designated area to significantly reduce the amount of irrigation water consumptively used. Water quality will be improved through the reduction of agricultural chemicals and sediment entering waters of the State from agricultural lands, and thereby impedes the spread of poor quality river water into the fresh alluvial and

High Plains aquifers. The reduction of irrigation water use and of non-point source contaminants, through permanent termination of water rights appurtenant to the land enrolled in CREP and the establishment of permanent vegetative cover and other conservation practices, will slow the aquifer declines and loss of baseflow, enhance associated wildlife habitat (both terrestrial and aquatic), and conserve energy.

Successfully meeting the goals and objectives of the UAR CREP involves interagency cooperation and adherence to a coordinated implementation plan. The implementation plan covers each agency's responsibility and the step-by-step process for outreach, processing applications, providing technical assistance, and monitoring success.

The UAR CREP is being implemented through continuous signup on a first come, first priority basis, until a county reaches the CREP program maximum for enrolled acres or the federal limit on CRP acreage enrolled in one county. The application enrollment pattern in the first year had high interest in December, 2007, and January and February, 2008, with a peak of over 13,000 acres offered for enrollment. By March of 2008, inquiries slowed, as most landowners had already made decisions on their land if a crop were to be planted. A number of applications were withdrawn as some land was sold. Others were withdrawn as crops were put in, and this was also a year of very high commodity prices and escalating land values. There were also a number of applications that ultimately did not meet the Federal or State eligibility criteria. Finally, there were some inquiries that did not lead to applications, because it initially appeared that the county cap had already been filled for Kearny and Gray Counties. A State requirement is that no more than 25% of the CREP program acres be in any one county.

As of the end of the first fiscal year on September 30, 2008, a total of 6,377 acres had actually been approved for enrollment in the CREP program. A total of 12,871 acre-feet of authorized water right allocations associated with these acres had been voluntarily and permanently retired. By September 30, 2009 (the end of the second fiscal year), an additional 4,011 acres had been approved for enrollment, bringing the project total to 10,388 acres. An additional 8,208 acre-feet of authorized water right allocations were also retired, bringing the project total to 21,179 acre-feet retired. At the end of the third fiscal year on September 30, 2010, 378 enrolled acres were added (bringing the current project total to 10,766 acres) and an additional 983 acre-fee of authorized water right allocations were also retired, bringing the current project total to 22,162 acre-feet retired from 93 wells. Most of the enrolled acres are irrigated – 98.6% - and most of these irrigated acres are located in the "Tier 1 /Unsuitable soil" classifications (84.8%) - and essentially all (99.29%) of the acres have been enrolled in the CP2 conservation practice.

Outreach

Public outreach for the UAR CREP was initiated prior to and during the preparation of the project proposal to gather information and assess public support. Many outreach meetings occurred on the UAR CREP throughout western Kansas and during the Legislative session. The implementation team developed an informational brochure and poster on CREP for use during the awareness campaign (attachment A). This brochure and related promotional posters were also updated and revised during the third program year, FY10.

A coordinated approach to outreach and support will continue through implementation of the program. Much of the initial success of the UAR CREP is a result of strong marketing of the program to producers interested in the program. The outreach was accomplished through direct mailings, newspaper press releases, educational brochures, radio broadcasts and local informational meetings. Each of the agencies cooperating in the program was responsible for the outreach component, but the KWO, SCC, GMDs #3 and 5, and the local Conservation Districts were especially instrumental. A listing of outreach activities can be found in Attachment A.

Technical Assistance

Technical assistance is provided to the producers enrolled in the UAR CREP by USDA Natural Resource Conservation Service and the State Conservation Commission. There have been a number of meetings between NRCS and the producers discussing the challenges of transitioning to a permanent cover on soils that are highly susceptible to wind erosion. The majority of the enrolled acres are in this category. The process for implementing CREP in Kansas (KCREP_IP_02) has been modified to indicate the NRCS will meet at the CREP site with the participant (Exhibit C).

A very productive meeting was convened between FSA, NRCS, SCC, KWO, and GMD officials in Garden City on February 26, 2009 to discuss the unique challenges, strategies, and techniques of establishing permanent grass covers on highly erodible soils associated with the majority of the CREP enrollment to date. Some very successful grass establishment has now been developed in Gray County by the end of the 2010 season. NRCS staff has found a strategy involving an effective combination of cover crops, herbicides, irrigation and summer seeding times which has resulted in 9 circles of nearly 100% CRP grass establishment after just two years. SCC has recommended that other county offices be apprised of the methodologies so that the experience can be re-created in areas where the grass establishment has been difficult.

Agency and Organization Cooperation

The *Kansas Water Office (KWO)*, the state's planning agency for water issues, provides direction for the CREP program development. KWO contributes to public outreach through presentations at the Upper Arkansas Basin Advisory Committee (BAC) and Kansas Water Authority meetings and to other interested stakeholders. KWO works collaboratively with SCC and each of the agencies identified below to prepare and provide USDA with annual CREP progress reports. The Kansas Water Office is also the lead on amending the CREP Agreement with USDA. The Director of the KWO originally administered the Water Conservation Projects Fund for projects in the Upper Arkansas River corridor that provide water conservation, efficiency gains and aquifer recharge. Legislative directives from the 2008 session transferred the fund and administrative duties to the SW KS GMD3. The KWO Director continues to review and give approval for proposed projects recommended by GMD3 and the Arkansas River Litigation Funds Advisory Committee, with input from the Chief Engineer. The use of these funds is consistent with the purposes of CREP.

The *State Conservation Commission (SCC)* coordinates with local groundwater, watershed, & county conservation districts, state & federal agencies, and other conservation partners to implement programs that improve water quality, reduce soil erosion, conserve water and reduce flood potential. SCC administers the state portion of the CREP, and is responsible to contract with eligible participating entities for the state upfront incentive payments (SUPs); to review, and make assurances that all CREP eligibility criteria are met and correctly documented; to assure that the relevant water right is properly and permanently dismissed; and to provide appropriate recommendations regarding final approval of FSA CREP applications. The SCC also administers another solely state funded water right retirement program (Water Transition Assistance Program). SCC utilizes an existing staff position as the State CREP Coordinator to facilitate and oversee the CREP in the Upper Arkansas basin.

The **Farm Service Agency (FSA)** is the lead USDA agency for CREP. FSA provided the first public announcement of the program signups and made broad outreach to all potentially eligible persons. FSA field office staff work with landowners and producers to determine if CREP is a program that fits for their acreages and circumstances. FSA initiates the contract with interested parties; provides estimates of payments, and works to determine suitable conservation practices. Final approval of contracts comes from

the FSA County Committees. FSA has no responsibility for the water right terminations, but coordinates with SCC and the Division of Water Resources as to the sufficiency of the voluntary dismissals.

The Kansas Department of Agriculture, Division of Water Resources (DWR) provides verification of water rights in good standing, administration of retired water rights, issuance of term permits, well administrations, and monitoring of aquifer levels and streamflows. The Division of Water Resources has done, and will continue, to provide legal partitioning of water rights as necessary. This agency assists the Arkansas River Compact Administration with compact compliance. The Chief Engineer reviews proposed project applications for water conservation and efficiency in the Upper Arkansas River basin through the former Water Conservation Projects Fund, now known as the Western Water Conservation Projects Fund, in coordination with the Director of KWO. These efforts are consistent with the CREP objectives.

The *Kansas Department of Health and Environment (KDHE)* monitors surface water quality in the Arkansas River and tributaries. Activities include collection and preparation of chemical, bacteriological and radiological lab samples taken from Arkansas River at up to 7 sites located between Coolidge and Great Bend, and analysis for chemistry, microbiology and radiological content of samples. KDHE coordinates water quality issues and meetings with Colorado and Kansas state agencies, and stakeholders.

The *Kansas Geological Survey (KGS)* provides annual monitoring of aquifer levels. The Survey also provides technical studies on the salinity fate and transport, aquifer characterization, and ground water modeling. The Survey maintains a long-term research site for investigating phreatophyte and stream-aquifer interactions in the Arkansas River valley at the USGS gage site northeast of Larned, within the CREP project area. Most of the wells are screened in the alluvial aquifer and a few are screened in the underlying High Plains aquifer. Most of the wells are instrumented with pressure transducers that record water levels on a 15-minute time interval year round. Periodic measurements of specific conductance are made in the wells and at least one sample a year is collected from most of the wells. In future years, data from this site may be used along with other sites with water-level data in the CREP area in conjunction with the model for the Middle Arkansas River subbasin to determine the effect of reduced pumping from CREP on the system.

Kansas Department of Wildlife and Parks (KDWP) provides fish and wildlife population monitoring. KDWP conducts wildlife and habitat surveys through several programs including stream monitoring and assessment and shorebird surveys. KDWP conducts statewide stream surveys to document the current range and distribution of stream species. Since 2002, KDWP has coordinated a volunteer effort to survey shorebirds at wetlands throughout Kansas. Portions of these ongoing survey efforts as well as additional wildlife population monitoring activities can serve as in-kind contribution towards the CREP project. KDWP also monitors visitation rates at Cheyenne Bottoms Wildlife Area, which will be used in the evaluation of one CREP objective.

Groundwater Management Districts (GMD) 3 and 5 monitor water levels, collect water quality samples, recommend water management actions to the Chief Engineer, review and advise on water conservation projects in the Upper Arkansas River valley and basin, and promote water conservation. GMD5 also provides payments for purchase and retirement of water rights, and payments for multi-year non-use of the irrigation water right. Both GMDs have sponsored stakeholder meetings to help explain and promote the Upper Arkansas River CREP. The GMDs have also provided technical assistance to interested parties on possible partitioning of water rights or fields to meet both the CREP eligibility criteria and the needs of the producer.

In August 2008, GMD3 received the Water Conservation Projects Fund Grant, as directed by the Kansas Legislature to administer the remaining funds. The funds are to be used for the same purposes as when it was administered by the Kansas Water Office; to improve water use efficiency, water conservation, and aquifer recharge in the area of impact from past Arkansas River Compact violations. These projects are

consistent with the water quantity, water quality and habitat improvement goals of the Upper Arkansas CREP.

Kansas State University (KSU) has provided public outreach support to the cooperating state and local agencies involved with this CREP submission and implementation. Extension agents with expertise in programmatic areas important to the program are available to answer questions posed by users of the program. Cooperative Extension has established outreach networks to transfer important information and results to clientele and end users of program information.

KSU also has the capacity to analyze and interpret economic impacts as the CREP program is further implemented. These changes include both positive and negative impacts in the basin communities. Positive impacts will result from changes in the environment as less water is diverted for irrigation and remains in the stream flow and aquifer, and the useable life of the aquifer is extended. Negative impacts result from decreased economic activity as land is removed from irrigated agricultural production, whether temporary or permanent.

The **Natural Resource Conservation Service (NRCS)** provides technical assistance on CREP contracts. As needed, NRCS employees visit the offered acres and work with the producer to determine if the proposed conservation practices are appropriate and suit their needs. They may later visit to confirm successful implementation of the practices. NRCS personnel develop the Conservation Practice of Operation (CPO) for the producer.

Pheasants Forever is a national non-profit conservation organization dedicated to the conservation of pheasant, quail and other wildlife. Pheasants Forever members are a diversified group of hunters, non-hunters, farmers, ranchers, landowners, conservation enthusiasts and wildlife officials organized in local chapters who work through fundraising and project development efforts to make a difference by creating habitat, restoring wetlands and protecting prairies. They also promote cooperative endeavors through public awareness, education and land management policies and programs.

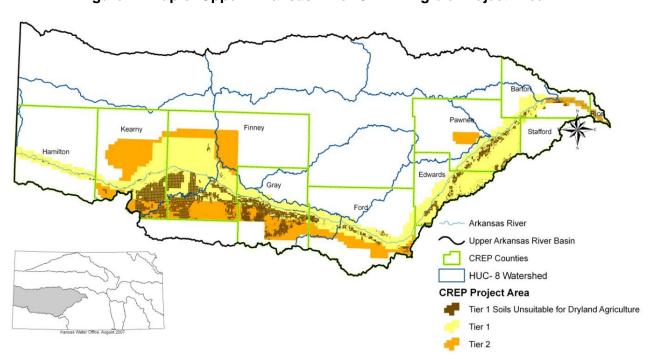


Figure 1: Map of Upper Arkansas River CREP Eligible Project Area

Land Conserved

As of September 30, 2010, the total amount of land which has been offered and approved for enrollment into the CREP program is 10,766 acres. (See maps of CREP counties showing location of acres enrolled in Attachment D).

P	Acres Approved for Enrollment: December 20, 2007 to September 30, 2010								
CREP County	Acres Approved December 20, 2007 – September 30, 2008	cember 20, 2007 - October 1, 2008 - October 1, 2009 -		Total Acres Approved since Program Initiation					
Barton									
Edwards									
Finney	129	1,137	(- 494)*	772					
Ford									
Gray	1,802	2,018	872	4,692					
Hamilton									
Kearny	4,205	856		5,061					
Pawnee	241			241					
Rice									
Stafford									
Total	6,377	4,011	378	10,766					

^{*494} acres were withdrawn from state contracts prior to final CRP-1 approval by FSA

Water Conserved

The total amount of water rights, measured in acre-feet, which have been offered and accepted for permanent retirement under state approved contracts from the beginning of enrollment on December 20, 2007 through September 30, 2010 are shown in the table below. In total, 22,162 acre-feet of authorized water right allocation will be permanently retired from irrigation through enrollment into the Upper Arkansas River CREP.

	CREP Authorized Water Right Allocation Permanently Retired							
CREP County	Authorized Quantity (Acre-Feet) of Water Right Allocation Permanently Retired on State Contract Approved Acres	Number of Irrigation Wells Being Permanently Retired on State Contract Approved Acres						
Barton								
Edwards								
Finney	926 AF	5						
Ford								
Gray	10,346 AF	41						
Hamilton								
Kearny	10,483 AF	39						
Pawnee	407 AF	8						
Rice								
Stafford								
Total	22,162	93						

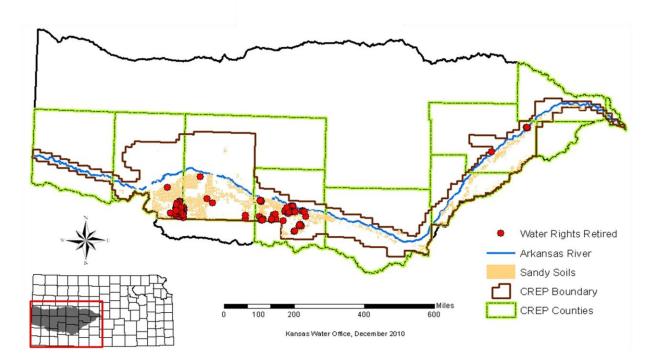


Figure 2: Map of Upper Arkansas River CREP Retired Water Rights

Ground Water Monitoring Activities

It is still pre-mature to measure the change in ground water levels even in this third year of enrollment. The majority of the acres enrolled in the Upper Arkansas CREP (83%) are requiring limited irrigation to get a permanent vegetative cover established on soils highly susceptible to wind erosion. Therefore, there will still be minimal reductions in pumping which will likely be reflected in the last measurements from the annual groundwater level monitoring program (January, 2010). Many of the additional acres approved during FY2009 and FY2010 did not get contracts established until mid-year. However, ground water level measurements and annual water use reports are being collected for the CREP project area.

Following is a summary of the anticipated methodology for this objective. Average groundwater levels and a map of the location of monitoring wells are provided in Attachment E.

Water levels have been monitored at least annually at numerous locations in the CREP counties. The map below includes the locations of historical water level measurements in the area. Groundwater Management District #5 obtains water level measurements from 25 wells in the CREP area. Annual measurements are collected from 14 of these wells and quarterly measurements of 11 wells are planned to continue. Data collected from each of these measurements will be used to assess the progress towards meeting this objective.

Water levels within the boundaries of the CREP area, particularly in the areas where contracts are approved, will be measured over time. One option is to compare monitored changes with predicted changes based on the Middle Arkansas subbasin computer modeled scenarios. The Kansas Geological Survey is also working cooperatively with the DWR and GMD3 to enhance the monitoring network for the aquifer close to the retired CREP acres and water rights in Kearny, Finney and Gray counties. Improvements include providing additional annual monitoring wells and increasing the measurement frequency, equipping some key well sites with pressure transducers and temperature loggers, and designating some wells as index calibration wells. Since a great deal of the enrollments in Gray and Kearny

Counties are in very close proximity, the establishment of such an enhanced monitoring program would result in some very specific information about the effects of substantial water right retirements in these highly localized areas.

Annual Irrigation Water Usage in CREP Area: 2007-2009

Water use reports of authorized acres actively being irrigated each year have been received and verified by the Kansas Department of Agriculture, Division of Water Resources for the 2007, 2008 and 2009 reporting years. Reported irrigation water use and the number of actual irrigated acres within the CREP Project Area for 2007, 2008 and 2009 are shown in the table below.

CRE	CREP Project Area Reported Irrigated Water Use and Irrigated Acres: 2007 - 2009							
County	2007 Reported Irrigated Acres in CREP Project Area	2007 Irrigation Reported Water Use (AF) in CREP Project Area	2008 Reported Irrigated Acres in CREP Project Area	2008 Irrigation Reported Water Use (AF) in CREP Project Area	2009 Reported Irrigated Acres in CREP Project Area	2009 Irrigation Reported Water Use (AF) in CREP Project Area		
Barton	16,599	15,898	15,687	15,157	16,415	15,133		
Edwards	35,741	30,375	36,128	38,681	36,313	35,896		
Finney	204,649	248,916	200,856	293,357	197,894	238,180		
Ford	42,898	44,833	41,822	58,260	41,213	44,889		
Gray	81,547	94,995	82,232	105,570	81,916	92,088		
Hamilton	10,899	13,270	12,570	19,424	12,679	15,707		
Kearny	86,387	126,609	106,934	191,013	110,314	165,931		
Pawnee	48,709	38,983	49,792	41,714	49,550	44,233		
Rice	336	281	331	221	331	230		
Stafford	628	601	628	552	628	695		
Total	528,393	614,761	546,980	763,950	547,253	652,982		

Summary of Non-Federal Program Expenditures

The State of Kansas, with its partners of other state agencies, Conservation Districts, Groundwater Management Districts, and Pheasants Forever have provided a cost share that meets or exceeds the required 20% match of federal costs. The State of Kansas agreed to pay not less than 20% of the program costs, as required for a CREP program, through a combination of direct payments, technical assistance and in-kind contributions. No less than 10% of this match is in direct payments. Since December 6, 2007, a total of \$4,277,367.90 of non-federal expenditures has been made in support of the CREP project. The Kansas state direct match now totals \$3,044,468.68 with \$649,940.58 having being paid to producers for upfront incentives (sign-up bonus) on enrolled irrigated acres.

Direct Match to Federal Dollars from October 1, 2009 to September 30, 2010*					
Organization	Amount	Activities			
State Conservation Commission, State Upfront Payments	\$93,916.70	State Sign-up-payments to CREP participants.			
State CREP Coordinator	\$88,866.00	Coordinate implementation of program with FSA, Conservation Districts, NRCS, and state agencies.			
State Conservation Commission	-	Cost share on well plugging and other allowed practices.			
Western Water Conservation Project Funds	\$1,487,641.28	Alternate Delivery route, Lake McKinney storage capacity and bypass			
Pheasants Forever/Quails Forever	-	Cost share on seeding; loan of grass seeder.			
Kansas Water Office	-	Cost share on tamarisk control, or wetland bonus payments			
TOTAL DIRECT	\$1,670,423.98				

^{*}These figures reflect the Federal Fiscal Year

State Upfront Payments Approved by County**								
COUNTY	State Upfront Payments SFY 2008	State Upfront Payments SFY2009	State Upfront Payments SFY2010	State Upfront Payments SFY2011	COUNTY TOTAL			
Barton								
Edwards								
Finney	\$8,022.80	\$33,756.30	\$2,677.50		\$44,456.60			
Ford								
Gray	\$156,954.90	\$44,856.38	\$75,618.30	[\$15,320.20]***	\$277,429.58			
Hamilton								
Kearny	\$260,632.50	\$37,510.00	\$15,620.90		\$313,763.40			
Pawnee	\$14,291.00				\$14,291.00			
Rice								
Stafford								
TOTAL	\$439,901.20	\$116,122.68	\$93,916.70		\$649,940.58			

^{**}These figures reflect the State of Kansas Fiscal Years from program start date on December 20, 2007 through September 30, 2010

As of September 30, 2010, a total of \$649,940 has been expended by the State Conservation Commission for the State Upfront Payments (SUPs) in 65 separate contracts to producers who have been approved and enrolled in the CREP program. Based on these 65 contracts, producers will receive approximately \$1,300,000 in direct payments the FSA annually over the 14-15 year period of the CREP contract. Producers may also receive other cost-share help from FSA.

^{***\$15,320} is approved on State Upfront Payment contracts pending final CRP-1 approval by FSA – this amount not yet included in totals

Services by Organizations from October 1, 2009 to September 30, 2010*					
Organization	Actual	Activities			
Technical Assistance					
Western Water Conservation Projects Fund Management	\$12,475.80	Preferred interstate, headgate Watersmart application			
Kansas Dept of Agriculture, Division of Water Resources	\$4,107.00	CREP database maintenance, water right reviews, divisions and retirements for applications.			
Kansas Geological Survey	\$153,700.00	Water level monitoring, database management, phreatophyte investigations, TA, water right communication, modeling, river water quality and practical saturated thickness work			
Kansas Dept of Wildlife and Parks	\$14,525.50	Wildlife and Fish population investigations in CREP counties.			
Kansas Conservation Districts	-	There was nothing to report.			
Organization	Actual	Activities			
State & Local In-kind					
State Conservation Commission					
Otate Conservation Commission	-				
Water Conservation Projects Fund	\$9,825.00	Alternative delivery system, storage capacity, and efficiency improvements (ARLFSC time)			
Water Conservation Projects	\$9,825.00 \$45,400.00				
Water Conservation Projects Fund Big Bend Groundwater		efficiency improvements (ARLFSC time) Water level measurements, meter compliance,			
Water Conservation Projects Fund Big Bend Groundwater Management District #5 Southwest Kansas Groundwater	\$45,400.00	efficiency improvements (ARLFSC time) Water level measurements, meter compliance, water banking, CREP assistance and clerical pay. Water management, stakeholder assistance in			
Water Conservation Projects Fund Big Bend Groundwater Management District #5 Southwest Kansas Groundwater Management District #3 Kansas Department of Health	\$45,400.00 \$96,588.76	efficiency improvements (ARLFSC time) Water level measurements, meter compliance, water banking, CREP assistance and clerical pay. Water management, stakeholder assistance in CREP area, program promotion Ark River Coordination with Colorado, Sampling			

^{**}These figures reflect the Federal Fiscal Year

Progress on CREP Objectives (12 objectives)

1. Enroll a maximum of 20,000 acres into CREP in the project priority area (17,000 irrigated acres, 3,000 from dryland pivot corners as part of whole field enrollment), with a goal of up to 18,600 acres put into native grass.

As of September 30, 2010, a total of 10,766 acres have been offered, accepted and enrolled into the CREP program. Of the total number of acres currently offered, only 1.4% (162 acres) was farmed dryland. Offers which are predominately "Tier 2 soils" comprise 15.2 % (1,679 acres) of the total approvals to date. All others are either "Tier 1" or "Tier 1/ Unsuitable" soils – the vast majority of these are in the "Tier 1 Unsuitable" classification. 99.29 % of the acres (10,924.37) are enrolled in the CP2 practice, 0.6% of the acres (67.90) are enrolled in the CP4D practice, and 0.08% of the acres (9.6) are enrolled in the CP10 practice.

2. Reduce the application of ground water for irrigation in the targeted area by 29,750 acre-feet, annually, with the enrollment of 17,000 irrigated acres.

As of September 30, 2010, a total of 22,162 acre-feet of authorized water rights for irrigation are to be permanently retired. This rate is averaging just over 2 acre feet per acre, a rate higher than estimated in the CREP objective, particularly because the majority of the enrollment in the project area has been in the western counties where the water appropriation allowances are the highest in the state, and some irrigated acreage is authorized on land which is not being enrolled at the irrigated rate due to FSA restrictions.

3. Increase the frequency of meeting minimum desirable streamflows in the Arkansas River at the USGS gaging stations at Great Bend and Kinsley by 2020 from 71% and 52%, respectively, as measured in 1996-2004.

No assessment of this objective has been made as of September 30, 2010. Measurement of the impact of enrollment of acres into the Upper Arkansas River CREP on minimum desirable streamflow will begin after water rights have been terminated and sufficient time has elapsed to have an effect on the system. Most of the acres enrolled have just recently terminated the water rights, or are still allowed limited irrigation to establish vegetation on soils susceptible to wind erosion. Following is a summary of the anticipated methodology for this objective.

There are three components to streamflow: frequency, magnitude and duration. Each of these components will be reviewed at the Great Bend and Kinsley MDS gage. The daily flow from 1960 to 2004 will be summarized into annual data. The summarization parameters include:

- 1. The percent of time the MDS was not met (frequency of excursion).
- 2. The volume of flow less than MDS as calculated by the difference between MDS and reported flow (magnitude of excursion).
- 3. The maximum length in consecutive days that MDS was not met (duration of excursion).

The frequency, magnitude and duration for which MDS was not met will be compared for the pre-CREP years (1960–2006) to the post-CREP years (2007-2012). A nonparametric test, the Wilcoxon rank-sum, will be used to determine if a statistically discernible difference existed between the preand post-CREP period.

The same comparison will be made using the pre and post-CREP period and the average annual Palmer Drought Severity Index (PDSI) for the region in which the MDS gage was located. This will create an index for the antecedent moisture conditions that will be a primary factor in determining each period's flow condition. One would expect that in those regions where the PDSI had become significantly greater (wetter), one should see a concomitant improvement in the magnitude, frequency or duration of the MDS condition.

Finally, the trend for the annual summarizations of the three components of flow will be assessed. This assessment will be used to determine whether there is a discernable trend in the annual frequency, magnitude or duration of minimum desirable stream flows through time (1960-2005).

4. Reduce stream flow transit losses due to inefficiencies in the delivery of the water by improving the channel and canal delivery system.

No official assessment of this objective has been made as of September 30, 2010. The improvements to the stream flow delivery system are underway. Construction is complete on the cleaning and reshaping of the canal used by the South Side Ditch Company to enhance delivery of water to its members and to more efficiently deliver water to the downstream Farmers Ditch Company during a drought. It's estimated that delivery of water to the Farmers Ditch Company via the refurbished canal has at least 15 percent less stream flow transit loss than delivery via the river channel.

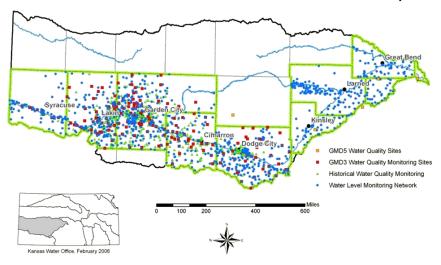
5. Reduce the rate of ground water declines in the alluvial aquifer and the hydraulically connected High Plains aquifer in the CREP area by 2020 from those measured during the winter months for the past five years (2001 – 2005) and ten years (1996-2005).

No assessment of this objective has been made as of September 30, 2010. The impact of enrollment of acres into the Upper Arkansas River CREP on ground water conditions will be made after water rights have been terminated. At the present time, limited irrigation is still provided on many of the enrolled acres to help establish vegetation, where the soils are highly susceptible to wind erosion. Following is a summary of the anticipated methodology for this objective.

Water levels have been monitored at least annually at numerous locations in the CREP counties. The map below includes the locations of historical water level measurements in the area. Groundwater Management District 5 obtains water level measurements from 25 wells in the CREP area. Annual measurements are collected from 14 of these wells and quarterly measurements of 11 wells are planned to continue. Data collected from each of these measurements will be used to assess the progress towards meeting this objective.

Water levels within the boundaries of the CREP area, particularly in the areas where contracts are approved, will be measured over time. Depending on the level of change, the monitored changes could also be compared with predicted changes based on computer modeled scenarios. The steering committee is cooperating to create an enhanced monitoring network for the aquifer close to the retired CREP acres and water rights. Possible improvements mentioned include providing additional annual monitoring wells and increasing the measurement frequency, equipping some key well sites with pressure transducers and temperature loggers, and designating some wells as index calibration wells.

Figure 3: Upper Arkansas River CREP Water Quality and Water Level Monitoring (Ground water quality and water level well locations within the CREP counties.)



6. Reduce the outward migration of river salinity within the High Plains aquifer by 2020 from the currently projected extent based on 1990s ground water conditions in the Arkansas River valley.

As of September 30, 2010, 10,766 acres have been offered, approved and enrolled into the CREP program. Some of the offered acres are close to the stream, and most are south of the river. An assessment of this objective will be made in the future, once more acres are enrolled, and when most of the wells are permanently turned off. A number of the wells are still in use for limited irrigation to help establish permanent vegetative cover. While no formal assessment of this objective is made at this time, the state's comprehensive water quality monitoring network, as described below, will be used to determine progress in meeting this objective.

Instream water quality and ground water quality have been recorded historically through monitoring programs at the state and local level. The Kansas Department of Health and Environment (KDHE) has a long-standing network of monitoring stations along the Arkansas River from Coolidge to Great Bend. These stations are the foundation for the TMDL work in the Upper Arkansas Basin. Three years of intensive bacteria sampling have been conducted with over 12 sessions over 2004-2006 of sampling 5 times within 30 days along these stations on the Arkansas River, in accord with K.S.A. 82a-2001, et seq. KDHE will also be in the Upper Arkansas Basin in 2011 for the next round of TMDLs on the Arkansas River.

The existing stations will be used to assess future post-TMDL conditions, over the 15 years CREP enrollment period. It is not expected that CREP will have an impact on the overall TDS (Total Dissolved Solids) levels in the river, however improvement is expected in the reduction of the advance of TDS or sulfate into the fresh water aquifers laterally from the river.

Annual ground water sampling was temporarily suspended by GMD3 for the 183 monitoring sites in the CREP counties this report period. They were replaced by 40 additional ground water samples collected for analysis of uranium in the CREP area by the Kansas Geological Survey, including the regular suite of analysis. This work was done as a cooperative enhancement in addition to a river flow sampling cooperative agreement with the KGS under an EPA Grant, looking at the deposition of uranium in Arkansas River flows. This work should broaden the water quality evaluations of CREP benefits and future management progress.

Continuing east along the river, ground water quality monitoring in the area by GMD5 has been conducted for specific projects from 12 wells. This information can provide a basis for comparison in the future.

This data will provide water quality data from before CREP and the continuing monitoring program will enable data analysis to occur documenting impacts of the program. These, along with the ground water monitoring for various state initiatives, provide a baseline for post-CREP comparison. Stream and ground water samples will be analyzed to determine mineral content at a frequency appropriate to determine representative water quality at least on an annual basis. Sulfate, selenium and total dissolved solids will be quantified at a minimum. Ground water samples will be obtained for analysis and result comparison from wells with an analysis history. Wells with previous data will be monitored from both the alluvial and High Plains aquifers.

7. Reduce the bacterial, nutrient and pesticide levels in the Arkansas River in Edwards and Pawnee Counties by 2020 from the 1990 – 2000 levels.

Bacterial impairments under the new state definition are in the middle reaches of the basin. Intense sampling for bacteria after 2015, concentrating on the Kinsley area, is planned. Additional data will be available through the monitoring network as described in Objective #6. However, an assessment of this objective will not be made at this time.

As of September 30, 2010, 241.7 acres have been enrolled into the CREP program in Pawnee County. No acres have been offered in Edwards County.

8. Increase aquifer recharge and wildlife habitat by enrolling 400 acres of playa lakes and soils, and other suitable locations for shallow water development.

As of September 30, 2010, no acres have been formally offered for the CP9 Shallow Water Areas practice. However, approximately 8 acres of playa soils occur on acres offered into the CREP program.

9. Reduce agricultural use of highly erodible soils with a goal of enrolling 7,000 acres that are unsuitable for dryland farming.

As of September 30, 2010, approximately 8,361 acres of soils unsuitable for dryland farming have been enrolled in the CREP program. More that 100% of this objective has been met.

Acres Enrolled as of September 30, 2010					
Tier 1 348					
Tier 1 Unsuitable Soils	8,739				
Tier 2	1,679				
Total Acres Enrolled	10,766				

10. Reduce the amount of soil lost to erosion by approximately 80,000 tons per year on all acres enrolled in CREP.

Soil erosion in the Upper Arkansas River Basin occurs primarily due to wind erosion. Water erosion is also a factor in soil erosion in the basin, but to a lesser extent. In comparison, wind erosion can reach 4 tons/acre whereas water erosion would total 0.3 ton/acre on the same soil types with the same cropping patterns and management practices. Factors that affect wind erosion include residue cover, field width, crop rotation intensity, and tillage operations (USDA 2006).

With 10,766 acres enrolled in the CREP program as of September 30, 2010, the amount of soil lost to erosion will be reduced by about 43,064 tons per year. Approximately 54% of this objective has been met. On all highly erodible soils, as determined by a soil I factor of 134 or greater, limited irrigated for up to two full calendar years will be a condition on the water right termination, to help establish vegetative cover. Prior to final contract approval, a conservation plan of operation will be prepared, and limited irrigation may be recommended.

Soil Erosion					
4 tons / acre/ year 10,766 acres					
Total soil erosion reduction 43,064 tons					

11. Protect the ecological and recreational viability of the Cheyenne Bottoms with improved Arkansas River stream flow, as measured by an increase in the average, annual bird count at the Bottoms in

2015-2023 as recorded from 1996-2004, and with increased human visitation rates in 2015-2023 as recorded from 1996-2004.

No assessment of this objective has been made as of September 30, 2010. The impact of enrollment of acres into the Upper Arkansas River CREP on the ecological and recreational viability of Cheyenne Bottoms will not be discernible until water rights have been terminated and wells turned off. Many application acres just recently had the associated water rights terminated, or have limited irrigation to establish permanent vegetative cover. Monitoring of the average annual bird count and human visitation rates will continue.

12. Reduce energy consumption from an average of 59,850 kW-hr to less than 5,000 kW-hr per pivot for the first two years on pivots enrolled in the CREP. In subsequent years, energy consumption will be reduced to zero, as the pivots eligible for limited irrigation will be removed from the enrolled parcel. Total energy savings for the term of the CREP contracts will approach 8 million kW-hr.

Kansas State University Research and Extension staff provided a rough estimate of energy consumption for a 125-acre center pivot in counties along the Upper Arkansas River. An average energy consumption of 59,850 kW-hr per pivot per year was derived from their estimates.

In the first two years of the program, offers made for acres that occur in soils unsuitable for dryland agriculture will have the opportunity to irrigate minimally to ensure establishment of grass cover. Therefore, a small amount of energy consumption will still be realized in the first years of the program.

With 10,766 irrigated acres enrolled in the CREP program as of September 30, 2010, more than 4 million kW-hr of energy savings may be achieved each year. Approximately 63% of this objective has been met.

Energy Savings	
Irrigated Acres Enrolled as of September 30, 2010	10,766 acres
Approximate Number of Center Pivots Retired	84 pivots
Average Energy Consumption per Pivot	59,850 kW
Total Energy Savings per Year (kW)	5,027,400 kW

ATTACHMENT A UPPER ARKANSAS RIVER CREP BROCHURE & POSTER

ELIGIBILITY CRITERIA

eligibility in advance. Your local FSA office has Federal and state eligibility criteria must be met to enroll your land in CREP. This partial list of the criteria will help to screen your data base to screen your application on these criteria.

- acre was applied four out of six years 1. At least one-half acre foot of water per (1996-2001)
- At least 50 percent of the maximum annual quantity authorized to be diverted under the water right has been used in any three years from 2001 through 2005. 2
 - Half or more of the offered land must be located within the CREP boundary. 3

BENEFITS TO FARMERS

- Federal annual irrigated rental and maintenance payments for 14 to 15 years.
- (i.e., center pivot corners) that's part of a whole field enrollment. State upfront per Rental payment on dryland cropland \$62 to dn payment of irrigated acre.
 - 50 percent cost share on seeding.
- Pheasants Forever offers to provide up to \$500 per producer to offset farmers' seeding costs.
- Well plugging cost share of \$1,000/well.
- water area development in Kearney or Bonus payment of \$350/acre for shallow Finney Counties.

Land can be leased for hunting.

ė

1-2-3 OF SIGN-UP

Farm Service Agency (FSA), Natural Resources As you decide whether CREP enrollment fits your business plan, you'll be working with the USDAthe State Conservation Service (NRCS) and Conservation Commission (SCC).

- determine whether at least half of the irrigated land offered for enrollment lies 1. First stop is your local FSA office. FSA personnel will use a CREP data base to within the CREP boundaries and if minimum water use criteria have been met. They also will be able to provide eligible producers with a preliminary estimate of rental and upfront payments.
- Any questions on water rights will be referred Producers whose land is accepted into the to the KDA-Division of Water Resources or Groundwater Management District No. 3 or 5. permanently retire the associated water expected are program voluntary right(s). 5
- The State Conservation Commission will make the state's upfront payments and practice cost share payments on approved CREP contracts.

Agency, State Conservation Commission, Natural sas GMD No. 3, Big Bend GMD No. 5, Pheasant Working partners include: USDA Farm Service Resources Conservation Service, Southwest Kan-

CONSERVATION RESERVE ENHANCEMENT PROGRAM



Forever, KGS, KDHE, KDA-DWR and KWO.

ARK RIVER CREP PARTNERS

CREP Field. Kearny Co.unty

FOR MORE INFORMATION CONTACT APPLICANTS WATER RIGHT QUESTIONS Water Resources Division (785) 296-608 Carla Wikoff, USDA-FS. Kansas Department of Agricultur (785) 529-3534, CARLA.WIKOFF@KS.USDA. (785) 296-3600, STEVE.PROST@SCC.KS. State Conservation Con

FARM SERVICE AGENCIES (FSA)

((620) 659-3142	(620) 275-0211	(620) 227-3731	(620) 855-3515	(620) 384-6955	(620) 355-7911	(620) 285-2821	(620) 549-3321
	Edwards	Finney	Ford	Gray	Hamilton	Kearny	Pawnee	Stafford

()	(620) 384-6955	(620) 355-7911	(620) 285-2821	(620) 549-3321	(620) 257-5184
(m.i.	Hamilton	Kearny	Pawnee	Stafford	Rice

Forbes Indian Grass stand, NRCS 2007

later and So per Arkan servation

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WATER AND SOIL CONSERVATION IN THE UPPER ARKANSAS RIVER CORRIDOR

The Conservation Reserve Enhancement Program affords potential benefits for both farmers and land and water resources in 10 counties along the upper Arkansas River. Landowners who enroll in CREP will receive up to 15 years of rental payments, a state sign-up bonus, and state, federal and private cost-share dollars to put irrigated acres into a conservation planting. The water rights associated with the enrolled land will be permanently retired. Enrollment is on a first-come, first-served basis. Program enrollment is only assured through June, 2011 at this time.

What is CREP?

CREP is a targeted, enhanced Conservation Reserve Program (CRP), a federal program administered by the USDA's Farm Service Agency (FSA). CRP was designed to prevent soil erosion, but also has provided water quality and wildlife habitat benefits. CREP allows the focus to be on a state resource concern; in this case, water conservation.

What are the water and soil benefits?

Reducing irrigation demands on the stream-aquifer system will slow aquifer declines. It will also reduce the spread of saline river water into the aquifer and help restore stream and riparian health. Most acres enrolled have highly erodible, sandy soils.

Multi-year transition with limited irrigation allows establishment of cover vegetation. This program provides cash payments for land transition, while irrigation is still possible. Continued, irrigation is permitted to establish a suitable land cover.

Among the approved practices eligible for cost share money are native grass seeding, wildlife habitat establishment, shallow water area construction, wetland restoration and filter strip and riparian buffer installation.

Are there targeted areas?

The program places priority on acreage where the retirement of the land and attendant water rights would have the greatest water conservation benefit and protect highly erodible soils.



Are there wildlife benefits?

The conservation practices to be implemented open a host of opportunities for wildlife and landowner revenue related to hunting bird watching and other forms of eco-tourism.

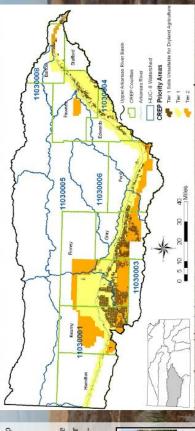
NEW IN 2011

INCREASED FEDERAL RENTAL PAYMENTS! \$115 TO \$140 PER ACRE UP TO 15 YEARS

EXPANDED CREP ENROLLMENT CAP!

Upper Arkansas River CREP

(Rental rates for irrigated land are keyed to the Hydrologic Unit (HUC-8 Watershed))



Irrig	Irrigated Rental Rate per Acre by HUC-8 Watershed*	Rate per	Acre by HU	JC-8 Water	rshed*	
HUC-8 Watershed	11030001	11030003	11030004	11030005	11030001 11030003 11030004 11030005 11030006 11030008	11030008
Center Pivot and Subsurface Drip	\$120	\$125	\$140	\$130	\$130	\$135
Flood	\$115	\$120	\$130	\$120	\$120	\$125

Upper Arkansas River CREP

CONSERVATION RESERVE ENHANCEMENT PROGRAM:
Water and soil conservation in the
Upper Arkansas River corridor.

NEW 2010 ENHANCEMENTS

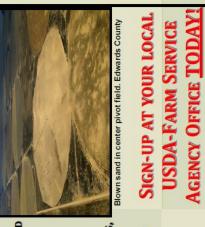
INCREASED FEDERAL RENTAL PAYMENTS! \$115 TO \$140 PER ACRE OVER 14 TO 15 YEARS EXPANDED CREP ENROLLMENT CAP!

BENEFITS TO FARMERS

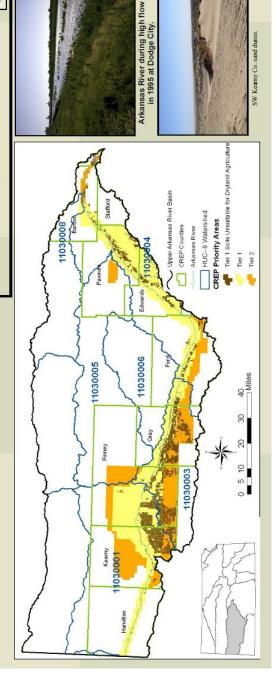
- . UPFRONT PAYMENT OF UP TO \$62 PER IRRIGATED
- 50 % COST SHARE ON SEEDING
- UP TO \$500 TO OFFSET SEEDING COSTS
- WELL PLUGGING COST SHARE UP TO \$1,000
- RENEWED LANDOWNER REVENUE FROM HUNTING, BIRD WATCHING & ECO- TOURISM
- ASSURED INCOME WITH ANNUAL CASH PAYMENTS

BENEFITS TO THE REGION

- SLOW AQUIFER DECLINES
- PROTECT LAND FROM SOIL EROSION WITH IRRIGATED TRANSITION
- REDUCE THE SPREAD OF SALINE WATER
 - RESTORE STREAM & RIPARIAN HEALTH



FOR MORE INFORMATION CONTACT:
Steve Frost, CREP Coordinator,
State Conservation Commission,
(785) 296-3600, STEVE.FROST@SCC.KS.GOV



in CREP field. Kearm

Arkansas River dry riverbed as it appears now at Dodge City.

Attachment B

Upper Arkansas River Conservation Reserve Enhancement Program Outreach

<u>December 2007 - December 2008 Outreach for the Conservation Reserve Enhancement Program</u> <u>Events</u> (Brochure distribution and conversation)

- Stakeholder Meeting Garden City, GMD3, December, 2007
- Conservation District Meetings in the 10-counties in CREP area Jan. 11 Feb. 28, 2008
- Big Bend Groundwater Management Meeting Stafford, February 7, 2008
- No-till on the Plains Salina, January 2008
- 3i Show Great Bend, May 2008
- Upper Arkansas Basin Advisory Committee public meeting Jetmore, May 21, 2008
- Upper Arkansas Basin Advisory Committee public meeting Garden City, July 16, 2008
- Kansas State University Agronomy Day August 2008
- Kansas Agribusiness Expo November 2008
- CREP Producer Outreach Information Meeting Larned, December 12, 2008; Garden City, December 17, 2008; Dodge City, December 18, 2008

<u>December 2008 - December 2009 Outreach for the Conservation Reserve Enhancement Program</u>

- Garden City Farm Show January 2009
- NRCS All Personnel Meeting Hays, February 11, 2009
- NRCS All Personnel Meeting Scott City, February 12, 2009
- Collaborative Technical Issues Meeting Garden City (FSA, NRCS, SCC, KWO, GMDs), February 26, 2009
- Middle Ark WRAPS Meeting Dodge City (KSU, GMD#3), March 3, 2009
- Middle Ark WRAPS Meeting Larned (KSU, GMD#5), March 5, 2009
- Upper Ark WRAPS Meeting Garden City (KSU, GMD#3), March 10, 2009
- Water and the Future of Kansas Conference Topeka (SCC, KWO Presentation), March 12, 2009
- 3i Show Great Bend, May 2009
- Kansas legislative Field Tour Lakin (SCC, KWO Presentation), June 4, 2009
- Stakeholder Meeting Garden City, GMD3, October, 2009
- Public Information / Education Meeting St. John (w/ GMD#5) October 29, 2009

December 2009 - December 2010 Outreach for the Conservation Reserve Enhancement Program

- 3i Show -Garden City May 2010
- GMD3 CREP promotion Ongoing

Brochures/Posters

- Updated CREP promotional poster to be distributed in December at CREP informational meetings in December to FSA offices and Conservation Districts
- Updated CREP promotional brochure for distribution by State Conservation Commission at stakeholder meetings in August.
- Updated CREP promotional brochure used at K-State Agronomy Day.
- Updated CREP promotional brochure used at Kansas Agribusiness Expo.

Articles

- Establishment of Upper Arkansas River CREP, (December, 2007, Governor Sebelius and Kansas Water Office press release)
- <u>Upper Arkansas River CREP Attracts More Than 12,000 Acres in Seven Days</u> (January 2008 Kansas Water Office HydroGram)
- <u>CREP Conservation Practices Include Aquifer Recharge</u> (January 2008 Kansas Water Office HydroGram)
- <u>Conservation Reserve Enhancement Program Benefits Water Resources & Farmers</u> (September 2008 Kansas Water Office HydroGram)
- Response to Hutchinson Daily News editorial by State Conservation Commission executive director on behalf of the Kansas Department of Agriculture, Kansas Department of Wildlife and Parks and the Kansas Water Office (November 2008)
- Congressional funding measure keeps CRP rolls open (January 2008 HPJ news release)
- Pratt newspaper article on Kansas Department of Wildlife and Parks conducting a wildlife impact survey starting last spring per an article, as part of the CREP effort.

ATTACHMENT C PROCESS FOR IMPLEMENTING UPPER ARKANSAS RIVER CREP IN KANSAS

	STEP	ACTION		RESULT
1.	Initial Application with FSA	 a. Producer visits local FSA office and provides a recent water use report with water user permit number for offered acreage. FSA enters water right number in CREP database to determine general eligibility. Note: When 2008 farm bill is effective, use updated database with 2002-2007 base years for federal eligibility. 	a.	FSA enters water right number into database and a register number is automatically assigned. This state developed database indicates eligibility based on water right information and location.
		b. If a water right is ineligible and no registry number is assigned, print a screen capture and send an electronic copy to State CREP coordinator. If ineligible and a registry number are assigned, save the file and notify State CREP coordinator.	b.	If ineligible on CREP database, process stops here. Producer can contact DWR or GMD to review water use history.
		c. If producer's water right meets basic eligibility as determined by CREP database, producer identifies physical location of acres and CREP practice (identify on an aerial photo). FSA uses CRP-GIS tool, and determine total # acres within CREP boundary and within HUCs. FSA estimates federal payment rate through CREP calculator. FSA reviews with producer total incentive package on another tab (includes state upfront payments, cost share, SIPs, PIPs if apply, etc.) NOTE: FSA follows normal continuous enrollment processing found in 2-CRP, Part 6,	C.	Save an electronic copy of estimated total CREP payments and send to CREP coordinator.
		 Section 3. d. Producer initiates process by signing CRP-2C and CRP-1. NOTE: Applicant signs CRP-2C and CRP-1 based on application acres. The forms will be finalized based on actual contracted acres after water right review. 	d.	State forms are updated with producer information from CREP Calculator tab. FSA prints out a copy for producer, but send to state staff for additional information.
		e. FSA informs producer of process and works in conjunction with NRCS to determine appropriate practice, if necessary. FSA refers client to NRCS for initial consultation on grass establishment and necessary commitment to achieve cover establishment. Producer is provided a sheet explaining the process and practices. If producer has questions on the	e.	Producer is to sign, get additional signatures if needed, make a copy for personal record, and mail all state forms to State CREP Coordinator.

STEP	ACTION	RESULT
	process, he/she is directed to a) DWR or GMD on water right termination issues; b) SCC for state upfront payments and Shareholder Agreement; and c) KWO for wetland bonus payment.	
	NOTE: No water right is terminated without an approved, signed CREP contract.	
2. FSA	a. Determination of basic Federal CREP Eligibility (FSA County Office) Example: ownership, person, land, practice, cropping history, CRP acreage cap. Ensure all eligibility requirements as provided in subparagraph 112 in 2-CRP Procedures Manual are met.	a. FSA enters supplemental information related to practices and acres offered into CREP database.
	b. If eligible, FSA recommends conservation practices for application acres, and FSA provides NRCS a copy of CRP-2C. Copy State CREP Coordinator and producer on CRP-2C and map with recommended practices.	b. If eligible, process moves forward with NRCS and State CREP coordinator.
	c. If ineligible based on federal criteria, FSA notifies producer and copies State CREP coordinator. Explain appeals process to applicant.	c. If ineligible on federal criteria, producer can review with FSA.
3. SCC	a. State CREP Coordinator receives CRP-2C and map from FSA, and reviews for state eligibility, including county cap of 25% of total CREP acres. If not eligible, inform producer of finding and explain review process. State CREP coordinator determines predominant tier of irrigated acres in application, in consultation with FSA office.	a. If applicant doesn't meet state eligibility, explain applicant can meet with SCC to review application. Predominant tier will determine SUP rate.
	 b. If eligible, State CREP Coordinator mails applicant a packet that includes: • Water right termination agreement (KCREP_WRT_01), • Partially completed CSIMs form for the state upfront payments (SUP) (WR-2008-4) to be completed by producers and return to State CREP Coordinator, 	b. State forms are updated with producer information from CREP calculator, and mailed with instructions. Instructions are to include explanation that water right termination is for manageable unit. If water
	 For eligible counties (Hamilton, Kearny, and/or Finney) State form for wetland bonus form is provided only to applicants physically located in CP9 Bonus Eligible Areas; Exhibit 50, and/or Shareholder Agreement (KCREP_SA_03). 	right needs to be divided or if application acres have overlapping water rights, they need to visit DWR or GMD. If application acres have

STEP	ACTION	RESULT	
	NOTE: No water right is terminated without an approved, signed CREP contract. c. CREP coordinator receives signed forms from	both a ground water right and ditch water irrigation, they need to have a form signed by Ditch/Canal Company.	
	d. Review water right termination form for manageable unit and eligibility. 1) Identify if water right needs to be divided or if application acres have overlapping water rights. If yes, go to Step 3B. 2) Identify if application acres have both a ground water right and ditch water irrigation. If yes, go to Step 3C. 3) Identify if application acres include soils unsuitable for dryland farming (I≥134); if yes, notify owner he/she has option of requesting limited irrigation condition on water right termination to establish vegetative cover.	d. If needed, CREP coordinator notifies producer to meet with DWR on water right changes, or to get signatures on shareholder agreement and return to SCC (see 3B and 3C). Copy DWR on the referral. Owner may have limited irrigation option if acres include soils unsuitable for dryland farming, and discuss it with FSA as part of CPO, and request it from DWR, if desired.	
	e. After steps 3B & 3C are complete, if needed, and application meets state eligibility, sign water right termination form and forward it to DWR and copy FSA County Office with current status of application and file completion.	e. Inform FSA office and producer on preliminary status of state eligibility and file completion.	
	f. Enter necessary information on application for SUP.	f. SUP is to be shared with participants in same arrangement as on CRP contract.	
	g. Check GIS coverage for Tamarisk on application acres; note it on a file with applicant's name and HUC 8.	g. Notify SCC Tamarisk control Program Manager	
	h. Forward to KWO contract sheet for wetland bonus on CP-9, if applicable, with update on application status.	h. h. Wetland bonus is to be shared with participants in same arrangement as on CRP contract.	
	 Notify producer if application meets state eligibility and if all forms are in order. Provide information on State cost share for well plugging and tamarisk control and see if interested in participation. 	Ord Contract.	
3B. DWR and SCC	If needed: a. Applicant meets with DWR or GMD to request necessary changes on water right. DWR or	a. Water right may need to be legally split or eligible	

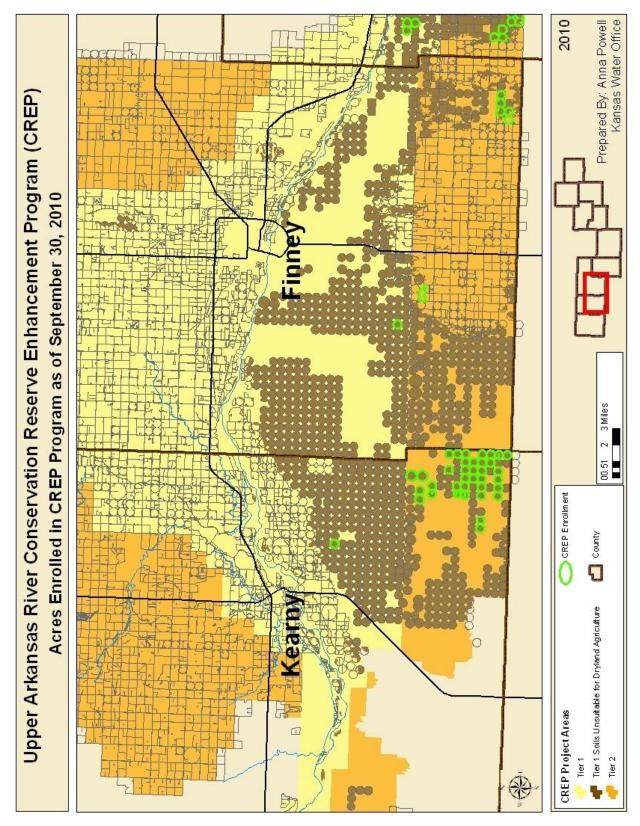
STEP	ACTION	RESULT
	GMD flag change forms as a CREP Application.	place of use adjusted, so that a manageable unit is available for CREP enrollment.
	 DWR completes process to adjust water right or place of use, so that a water right can be retired on CREP application acres. 	b. DWR copies CREP coordinator on changed water right information.
	c. State CREP coordinator re-evaluates application based on split water right or adjusted application acres to confirm eligibility and maximum acres.	c. SCC notifies producer and FSA County Office of re-evaluated application, maximum acres and file completeness.
3D. SCC	If needed: a. CREP Coordinator receives a signed copy of CREP Shareholder Agreement (KCREP_SA_03). Application acres with both a ditch surface irrigation and a ground water right, must file this form to not deliver ditch company surface water on specific tract(s) while enrolled in a CREP contract.	a. Applicant gets Irrigation Association or Ditch Company's signature, and returns signed shareholder agreement to CREP Coordinator.
	b. When CREP Coordinator receives a fully signed form, update CREP database, and notify FSA County office and DWR.	b. Enrolled acres cannot be irrigated by surface water during the life of the CREP contract. The associated ground water right must be terminated.
4. DWR	Receives owner and SCC signed water right termination form. NOTE: The termination of the water right is conditional upon final approval of CREP contract. The CRP-1 is not approved by the COC at this point.	Water right termination form will be held by DWR, and cannot be processed without a copy of producer and FSA signed CRP-1 contract.
5. NRCS	NRCS makes a site visit to determine suitability of practice, needs and feasibility. For CP2 on soils unsuitable for dryland farming, NRCS or TSP tries to make a site visit with the producer to determine if a cover crop is needed prior to grass seeding and discuss transition to permanent vegetative cover. On all CREP fields, NRCS/TSP will make a site visit with the participant and CED to determine adequacy of cover crop and to jointly discuss the transition to permanent vegetative cover.	NRCS notify FSA County Office of practice suitability. Use CRP-2C form. Enter into CREP database when field visits completed and when field will be seeded.
6. FSA and NRCS	When SCC indicates application file is complete, FSA makes an appointment with applicant to finalize application at county office.	a. Finalize application and adjust final contracted acreage at the county

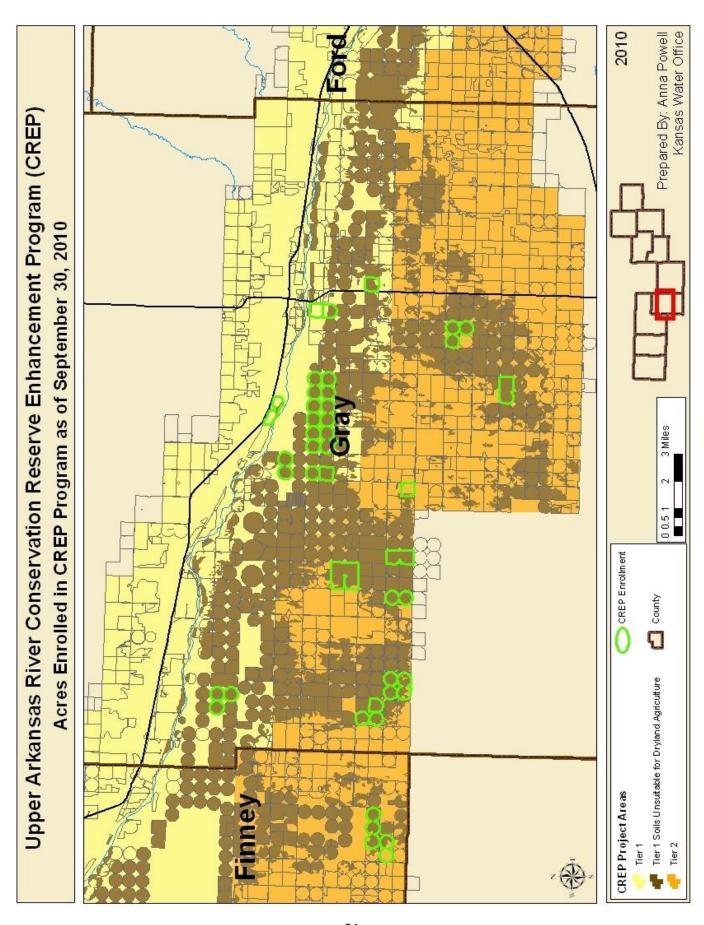
STEP	ACTION	RESULT
	b. FSA completes CRP-2C and CRP-1 for irrigated & dryland acres.	office. Enter the effective date and actual contracted acreage and practice totals to the CREP database.
	NRCS develops CPO, and fills out CPA-52, CED signs CPA-52. Identify if soil and climate conditions make this site at risk for wind erosion during seeding and special cover crop considerations should be included. Provide Kansas Conservation Reserve Program Technical Guidance Document to producers to improve permanent vegetation establishment success on soils unsuitable for dryland farming (I= or >134)	
	c. Provide Kansas Conservation Reserve Program Technical Guidance Document to producers to improve permanent vegetation establishment success on soils unsuitable for dryland farming (I= or > 134).	
7. FSA with producer	a. County FSA meets with producer to complete application materials.	
	b. Producer signs CPO.	
	c. FSA notifies State CREP Coordinator that producer has signed CRP-1 and CRP-2C.	
8. FSA DWR SCC	a. FSA County office confirms by faxed receipt, and verifies by CREP database, that water termination agreement has been signed by producer and evaluated by DWR.	a. SCC updates CREP database when water right termination agreement has been signed and evaluated by DWR
	b. COC approves CRP-1 and CPO.	b. FSA notifies producer.
	c. FSA send a copy of CRP-1 and map to DWR Appropriations Manager and to State CREP Coordinator, and notifies NRCS.	c. FSA County office updates CREP database with COC approval date.
	Important : County office must redact (strike) the participants' taxpayer id number(s) prior to providing a copy of the CRP-1 to Kansas Dept. of Agriculture, Division of Water Resources or SCC.	
9. DWR SCC FSA	a. DWR receives the copy of signed CRP-1 and issues the water right termination order by the Chief Engineer. DWR sends order to owner, with a reminder owner is responsible for filing a copy with County Registrar of Deeds. DWR provides a copy to State CREP coordinator.	a. As applicable, FSA approves and pays SIP.

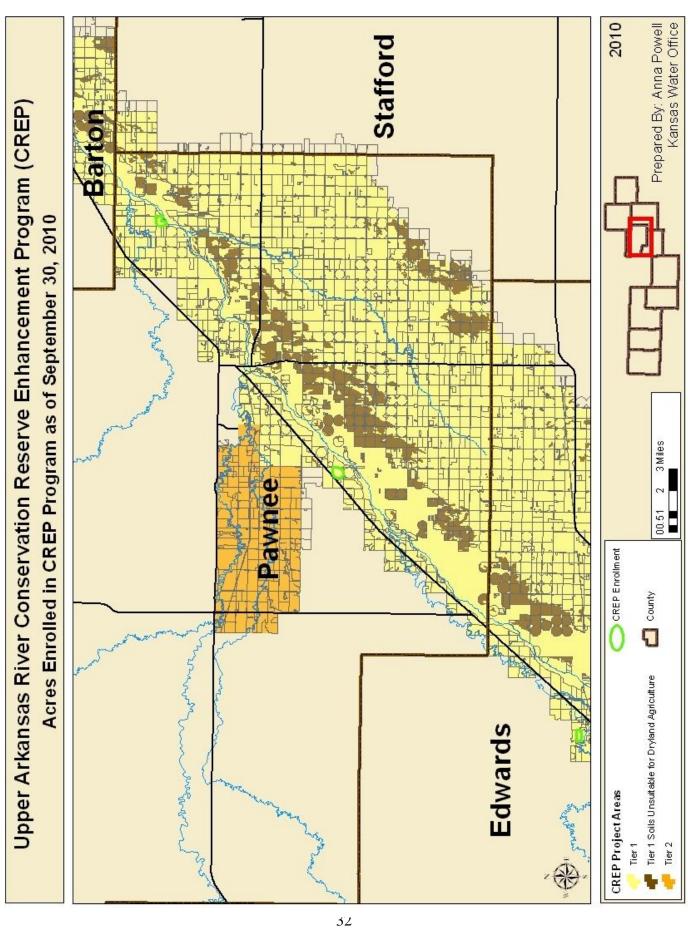
STEP	ACTION	RESULT	
	b. SCC notifies FSA county office of agreement completion, and updates CREP database.	b. As applicable, State CREP Coordinator approves and pays SUP to participants as share on CRP contract.	
10. NRCS or producer FSA SCC KWO	 NRCS conducts an on-site review of practice installation and submits to FSA certified AD-862 certifying installation, or producer submitted certification of practice (Form AD-245). 	a. As applicable, FSA issues PIPs, Hydrology, and cost share payments.	
	 b. FSA sends a copy of AD-862 or AD-245 to Pheasants Forever/Quail Forever, and CREP coordinator. CREP coordinator notifies KWO of CP-9 	b. PF/QF pays up to \$500 / producer for seeding cost share.	
	practice installation, where eligible for wetland bonus payment, and updates CREP database.	KWO pays wetland bonus on CP-9, to participants as share on CRP contract.	

ATTACHMENT D

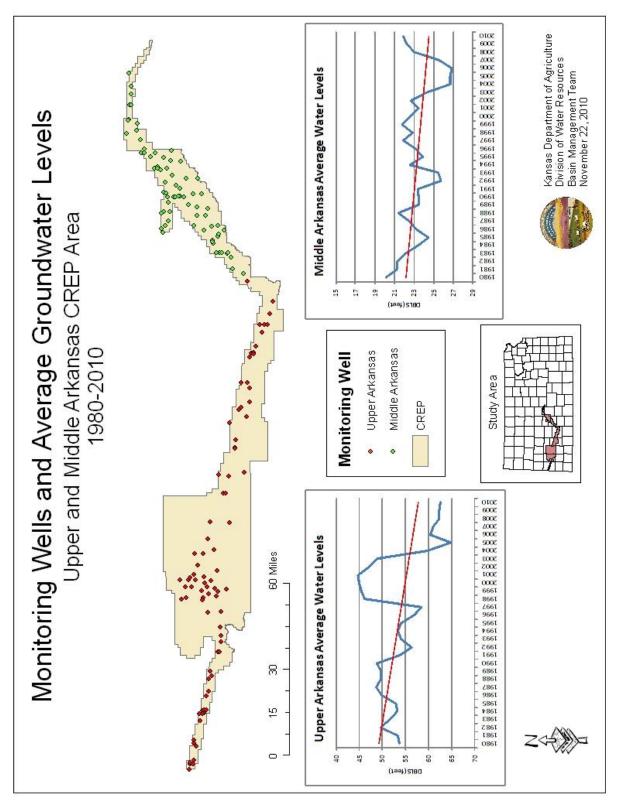
Maps of Acres Offered for Enrollment in the Upper Arkansas River Conservation Reserve
Enhancement Program (CREP) by County as of
September 30, 20010

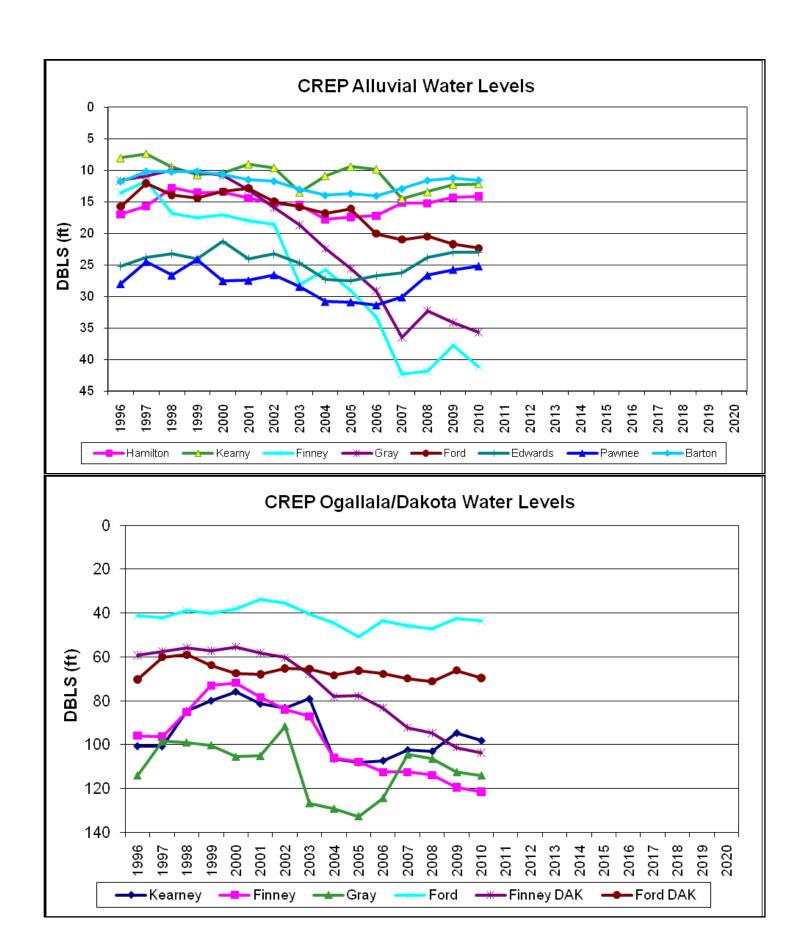






Attachment E
Monitoring Wells and Average Groundwater Levels





Attachment F Steering Committee Minutes

CREP Steering Committee Meeting Thursday, September 23, 2010 10:00AM SCC Conference Room

Attendees:

Steve Frost (SCC); Susan Stover, Diane Coe & Anna Powell (KWO); Lane Letourneau & Darci Paull (DWR); Trevor Flynn (KDHE); **Joining by phone:** Carla Wikoff (FSA); Dan Meyerhoff, John Unger & Monte Brenneman (NRCS); Mark Rude, Jason Norquest, Chris Law, & Trevor Ahring (GMD 3); Wes Esmiller (GMD 5); Don Whittemore (KGS); Jordan Martinech (PF)

Proceedings:

Steve started the meeting with introductions and updating enrollment numbers for the CREP program.

- *63 contracts
- * 11,509 acres have been offered for enrollments
- *10,766 acres approved for payments
- *93 total wells and 22,162 AF authorized quantity to be permanently retired
- *97% are in the CP2 practice code for wildlife grasses on sandy soils
- *\$634,725 paid by state for up front incentive payments
- *\$19.4 M. (approx.) will be paid out by FSA over the next 14-15 years
- *Kearny County is still over the 5,000 acre cap with 3 offers "pending acres available"

Enrollment has had several peaks and valleys since the project start date on December 20, 2007 but enrollment has been fairly slow all throughout 2010. Sometimes acres are enrolled and approved under a state contract, then withdrawn prior to final CRP-1 approval by FSA due to owner / tenant disagreements, limiting CRP rules, etc.

The 2010 Legislature approved carryover of the remaining CREP funds of \$1,019,667 for FY2011with a total "potential" enrollment of 40,000 acres. The current MOA with USDA authorizes an approved project limit of 20,000 total acres with an opportunity to increase at a later date.

Steve reported on some very successful grass establishment which has been developed in Gray County. He inspected it in August on a tour of CREP sites and has some excellent photos. The NRCS staff has found a strategy involving an effective combination of cover crops, herbicides, irrigation and summer seeding times which has resulted in 9 circles of nearly 100% CRP grass establishment after just two years. Steve suggested that other county offices be apprised of the methodologies so that the experience can be re-created in areas where the grass establishment has been difficult.

Status of Proposed Changes to USDA / State of Kansas MOA:

KWO and SCC have formally proposed that the MOA be modified to a project limit of 28, 950 acres with an increase in the rental rates. Irrigated rental rates were recommended by the Kansas FSA Committee to be raised by \$30 / acre in each of the project categories; FSA in Washington D.C. approved a rental rate increase of \$10 / acre in eight of the categories and \$15 / acre in four of the categories (see table below for schedule of payment increases). Kansas would like to get this approved very soon before producers start making decisions

about next year and before the Legislature starts again in January. The final approval of the MOA is expected to be announced by FSA within the next few weeks.

Proposed Irrigated Rental Rates by HUC (hydrologic unit code)					
8-Digit HUC	Current Payment Rate	STC Approved Rates	CEPD Approved Rates		
11030001 - Pivot	\$110	\$140	\$120		
11030001 - Flood	\$100	\$130	\$115		
11030003 – Pivot	\$115	\$145	\$125		
11030003 – Gravity	\$105	\$135	\$120		
11030004 – Pivot	\$125	\$155	\$140		
11030004 – Gravity	\$115	\$145	\$130		
11030005 - Pivot	\$120	\$150	\$130		
11030005 - Gravity	\$110	\$140	\$120		
11030006 – Pivot	\$120	\$150	\$130		
11030006 – Gravity	\$110	\$140	\$120		
11030008 – Pivot	\$125	\$155	\$135		
11030008 – Gravity	\$115	\$145	\$125		

Agency Reports / Special Comments from the Agencies:

FSA – Carla Reported that FSA is extremely busy with another general CRP signup. The CREP program is still running well now and it appears the county offices are experiencing very few problems.

NRCS – Dan stated the program expansion issue is not critical yet but strongly urged that it get approved within the next month so that it can influence farmers' decisions on cropping. Jon also echoed that the challenge of establishing grass on the extremely fragile Tier 1 / Unsuitable soils is going better and progress is being made. He stated that he would try to assist in communicating the Gray County methodologies to other county DC's.

GMD3 - Plans to reapply for AWEP next year and integrate CREP and AWEP together, if possible. Their proposal would work in coordination with CREP to help cover some of the cost of transitioning irrigated agriculture into grassland on poor, sandy soils. The staff feels there is still interest in CREP enrollments in the area and that the enhancements can be helpful in securing additional offers.

GMD5 – Wes Esmiller is the new GMD5 manager and is getting familiar with the CREP program. He said the district is still working to promote awareness of CREP and gain some enrollment within the District.

DWR – Lane inquired about whether there was a need for additional irrigation water for establishment of permanent vegetation cover beyond the existing 2+ years, and expressed DWR's willingness to work with the producers. Susan noted that in the MOA between USDA & Kansas, it allows for "The water right termination may be conditioned to allow limited irrigation for two complete calendar years ending December 31, in addition to that portion of the year a CREP contract becomes effective...". If any water is necessary after that interval, DWR indicated willingness to allow for it through term permits. It was agreed that approach would work fine. Mark stated that he would not mind the time frame being bumped up to 3 years. Also, Darci stated that the CREP data base was updated with the new "BRO" list in June which will determine qualifications with the state criteria for water use eligibility.

KDHE – Trevor reported that an updated list of 303d impairments (TMDL listings) will be issued by EPA in 2011. He noted that everything seems fine with the monitoring scheme for CREP and that KDHE will continue the water quality monitoring. The Middle Ark WRAPS group is still operating in the region and incorporating the objectives of the CREP program into its overall scope of planning.

KGS - Don noted that they are obtaining water levels in the CREP well fields and entering them into Wizard. KGS is also including extra biannual water levels being monitored in the CREP areas by DWR for impairments and new applications into their Wizard program. Don would like to include a scenario for the GMD 3 hydrologic model to turn off pumping in the CREP area to see what the impact would be, and asked Mark and Susan if they would want a future scenario run of the CREP well enrollment in GMD3. Susan and Mark will further discuss; whether to have the future run include only those wells currently enrolled, or up to the requested maximum of 28,950 acres (with an assumed selection of wells). Don also talked about water quality along the Arkansas River corridor and the impact of uranium from Colorado – "how is the uranium traveling through the aquifers and impacting wells?"

PF – Jordan talked about some of the staffing changes which have occurred recently in the PF Kansas area. Jim Schwietzer is their new representative in Western Kansas and is located in Hays. Jordan was asked about the possibility of PF providing the use of grass seeding drills for CREP producers (identified as a possible benefit in the CREP program objectives for agency partners). He will investigate this possibility with the chapters in the CREP project area.

KWO – Diane is analyzing information in the Western Kansas Water Conservation Projects Fund which is administered by GMD3 and affects the amount of direct match attributed to CREP. She has been reviewing approved rates and historical averages for matches to determine how much of the contributions or expenditures can be used for other beneficial water conservation grant programs like AWEP. Susan offered that Anna and Diane can assist Steve with compiling the information for the annual CREP report to USDA which is due in December.

Data Needs for Monitoring Results:

In regard to the annual report, Steve asked that all the entities get their costs and narratives of activities in by early October. The report is based on the federal fiscal year, October 1, 2009 to September 30, 2010. It was gain noted that many of the monitoring activities which are incorporated in the CREP MOA are difficult for the agencies to significantly undertake at this time – or to determine any significant changes in results or impacts due to the CREP project. Even though enrollment is still increasing at this time, almost the entirety of the enrollment has been located in areas of the Tier 1 / Unsuitable soils which will require continued irrigation for another couple of years. We have yet not seen any significant water use curtailment to monitor.

Enhancing Enrollment during 2010 – 2011:

Kansas is looking for more ways to increase interest and enrollment in CREP. Steve indicated that if the program changes requested to FSA are approved soon, another "get out the word" campaign will be conducted by sending letters to all water right owners in the eligible program area. Susan noted the program expansion really only impacts Gray & Kearney counties in the short term (those are the ones hitting or nearing the county enrollment cap). Carla confirmed that the irrigated rental rate increases are approved and now being implemented in the counties. Susan and Carla confirmed that the new rates have been incorporated into the counties' "CREP Calculator" tools and that they are working. Anna and Steve will work on revised brochures and informational posters to distribute to the county offices upon confirmation on the program expansion. SCC, the KWO and the GMDs will work to re-market and promote the program noting the higher rates and the successes of the grass establishment strategies in Gray County.

Recommendations for Future Modifications to CREP Program Rules / Procedures:

No other items were specifically discussed at this time.

Identification of Other Issues:

Although participation in the eastern areas has been disappointing so far, it was suggested that the great merit of the CREP program to date has been focusing the very substantial benefit of the program to the western regions of the project. The extremely sandy and fragile, windblown soils of the sandhills will be very difficult to revegetate after the groundwater is depleted and crop production runs out. The CREP program has given these area producers a viable option for starting grass stand while limited irrigation water is still available and with the financial opportunity and incentive to do it. It was agreed that this somewhat unexpected result should be highlighted and warrants consideration of similar ways to possibly better utilize the resources of future CREP programming in the Upper Arkansas River Valley of Kansas.

Conclusion:

The members were sincerely thanked for their time and efforts in fulfilling the mission of the CREP program. The meeting was concluded at 10:55AM.